Headquarters U.S. Air Force

Integrity - Service - Excellence

Effective and Timely AF Acquisition

Mr David Van Buren
Air Force
Service Acquisition Executive (SAE)

Acquisition Executive Panel
12 Apr 2011

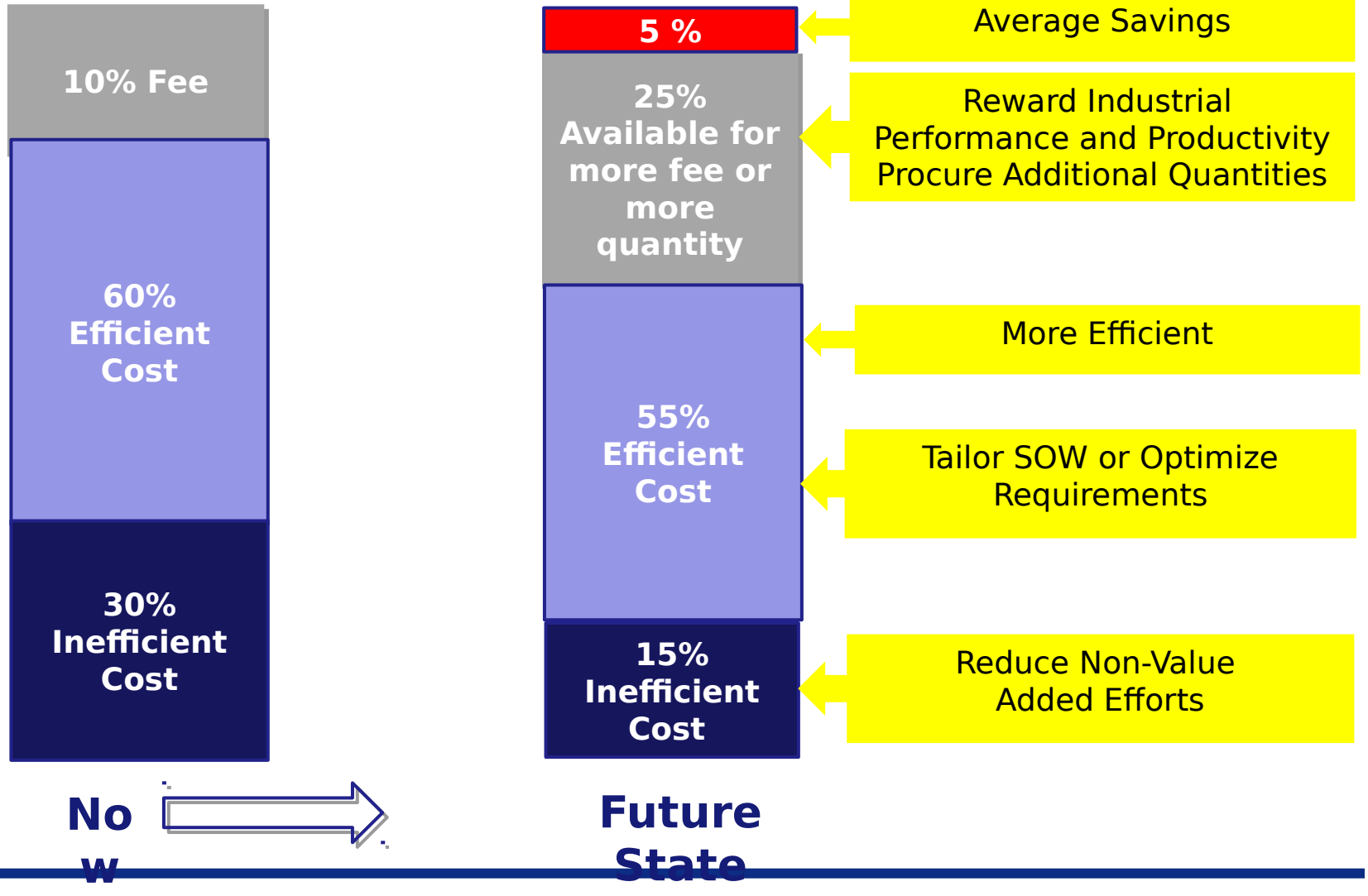
SAF/AQ Acquisition Priorities

U.S. AIR FORCE

- A More Affordable JSF
- KC-46A Execution in Initial Phases
- Long Range Strike Family of Systems Exec
- AEHF, SBIRS, and Block Buys
- EELV Restructure
- Vertical Lift Source Selection
- Overall Efficiencies and AIP
- ISR in Theatre to Support Warfighter Needs

U.S. AIR FORCE

Acquisition Future State Objective



U.S. AIR FORCE

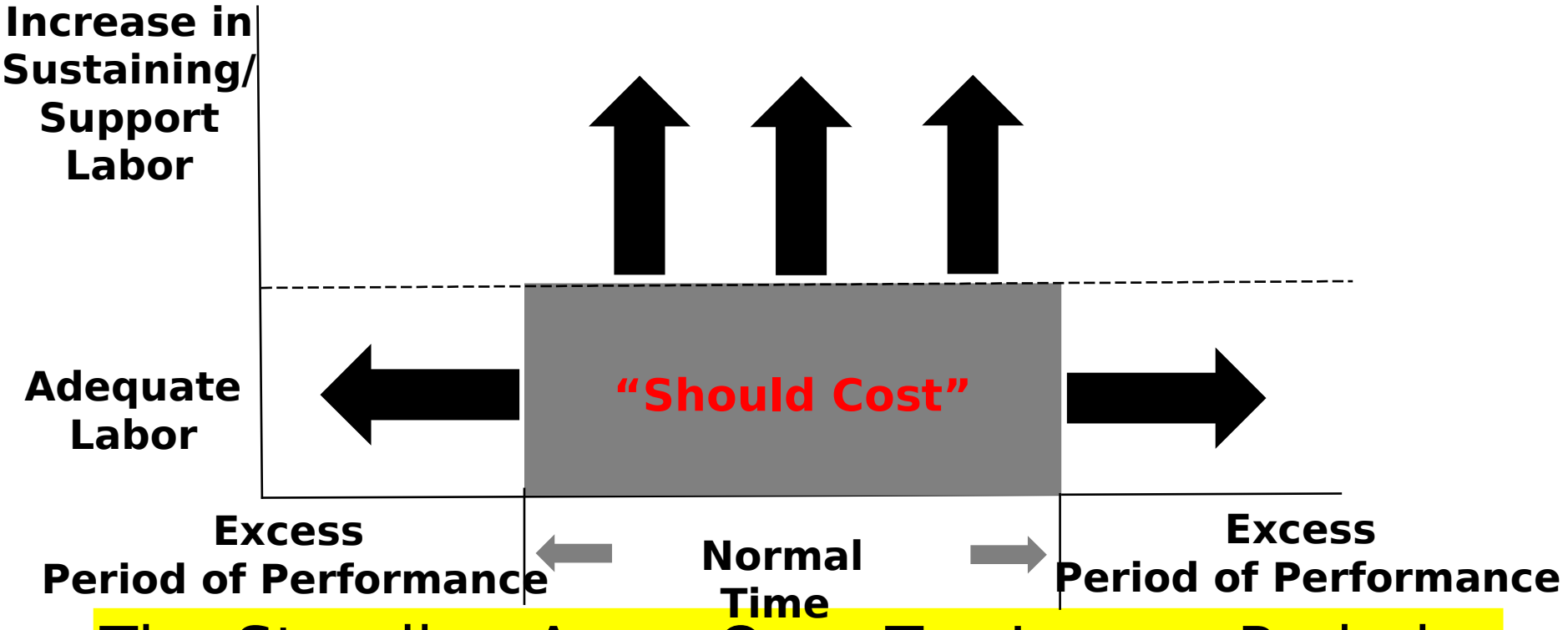
AF Top 12 Modernization Programs

(FYDP 11 – 52% of 220B, FYDP PB 12 – 55% of 221B)

Program	Company	FYDP PB 11	FYDP PB12
1. F-35	Lockheed / NGC/ BAE	$32.4 B	$33.6 B
2. Classified (including Long Range Strike)	Various	$17.9 B	$23.0 B
3. KC-46A	Boeing	$11.7 B	$13.4 B
4. S & T	Various	$11.3 B	$11.8 B
5. EELV	United Launch Alliance	$6.3 B	$ 9.9 B
6. MQ-9	General Atomics	$5.9 B	$6.0 B
7. F-22	Lockheed / Boeing	$5.4 B	$5.3 B
8. Global Hawk	NGC	$4.9 B	$4.9 B
9. SBIRS	Lockheed /NGC	$5.3 B	$4.6 B
10. AEHF	Lockheed /NGC	$7.2 B	$4.6 B
11. GPS IIIA	Lockheed	$6.1 B	$4.2 B
12. C-5 RERP	Lockheed	$4.7B	$3.8 B

U.S. AIR FORCE

The Forces of Execution Inefficiency

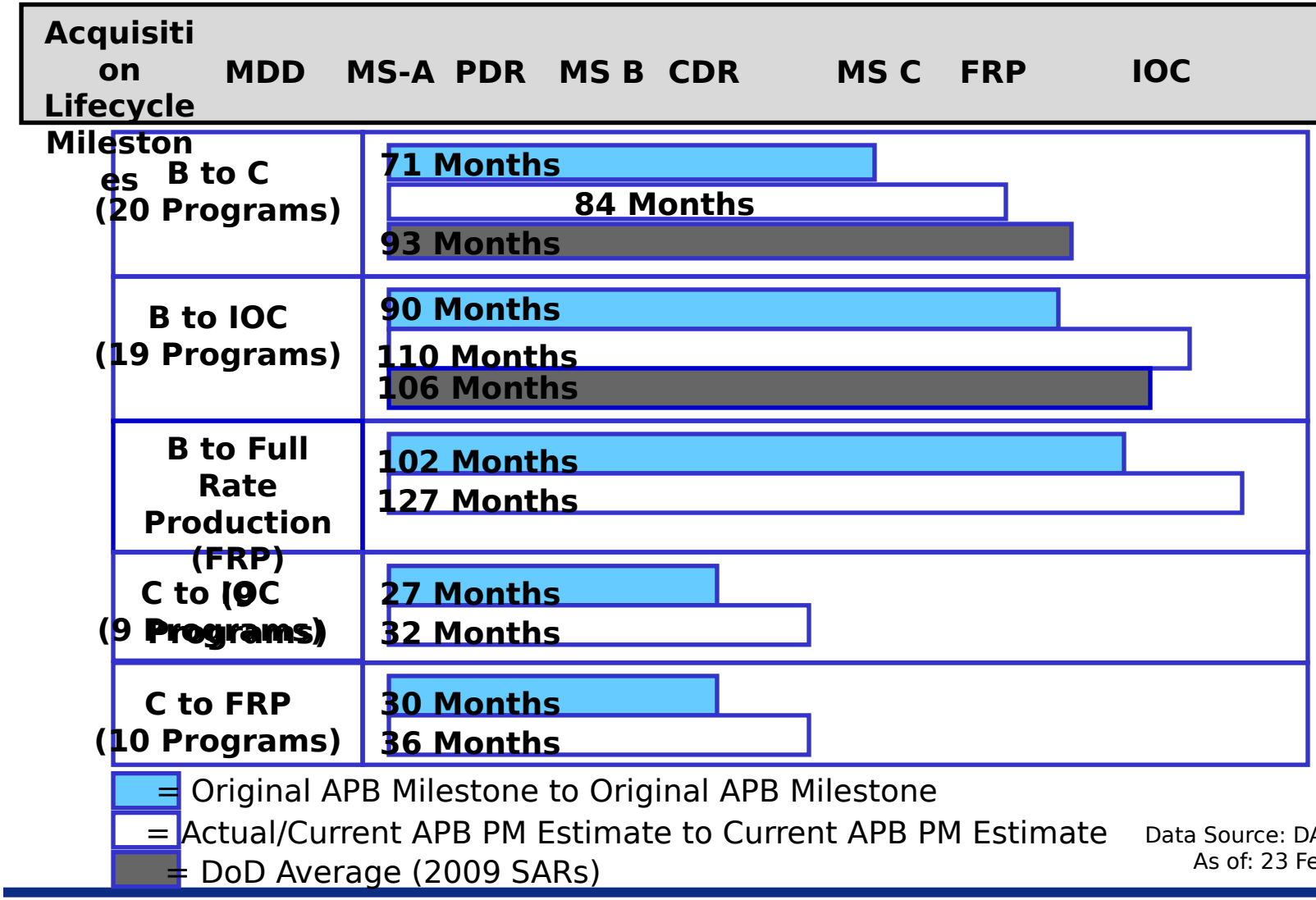


The Standing Army Over Too Long a Period

MDAP ACAT I – Average Cycle Times

U.S. AIR FORCE

As of: 23 Feb 2011
Next Update: 1 Apr 2011



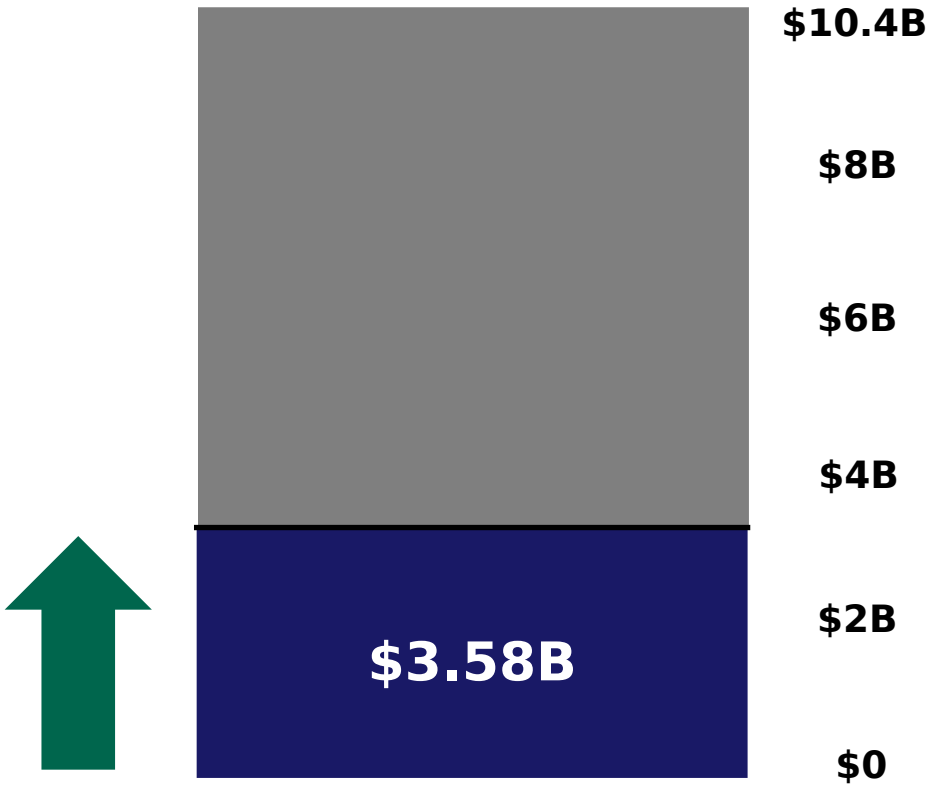
Data Source: DAMIR - DAES
As of: 23 Feb 2011

U.S. AIR FORCE

AF Acquisition Efficiencies

As of 11 Apr 2011

FY 12 – 16
Required Acquisition Efficiencies



Required to Support FY12 President's Budget

AF Acquisition Efficiencies
As of 11 Apr 2011 (1/2)

U.S. AIR FORCE

#	Program	PEO	Savings	Outcome
9	KC-46A	BGen Bogdan (KC-X)	$2.38B	Benefits of competition savings over budget
8	MQ-9	Col Hauck (ISO&SOF)	$20M	Combined annual MTS B Ball production with Navy
7	C-17	Mr. Buckley (Mobility)	$506M	Savings on production aircraft – some funds used for spare F117 engines
6	F-35	VADM Venlet/Maj Gen Moore (JSF)	$250M	Rate tooling savings
5	AEHF	Lt Gen Sheridan (Space Systems)	$98M	AEHF SV-4 efficiencies shortening test requirements and period of performance

Note: Most Recent Efficiencies listed first

Total Validated Savings (FY12-16) to Date: $3.580B

AF Acquisition Efficiencies
As of 11 Apr 2011 (2/2)

U.S. AIR FORCE

#	Program	PEO	Savings	Outcome
4	F-22	Lt Gen Owen (Aircraft)	$134M	Combined phases 7 & 8 kits procurement to gain economic order quantity
3	Global Hawk	Col Hauck (ISO&SOF)	$39M	Lot 8/9 negotiations
2	JASSM	Maj Gen Davis (Weapons)	$43M	Lot 8 savings with reduced SOW allows for more missiles
1	C-130J	Mr. Buckley (Mobility)	$110M	Procurement provided two additional C-130J's

Note: Most Recent Efficiencies listed first

Total Validated Savings (FY12-16) to Date: $3.580B

U.S. AIR FORCE

SAE Top 10

Top 10 Acquisition Opportunities to Enhance Profitability in a Flat-lined or Declining Budget

10. Synchronize Corporate IRAD and Government CRAD Spend to Reduce Risk on Future Programs in Transition
9. De-Scope Unneeded or Inefficient Work on Low Profitability Programs
8. Focus on Programs that are More Incremental with Less Risk and Higher Profitability
7. Lean-Out and DeScope Existing Fixed Price Contracts with Sharing
6. Streamline Program Oversight for Proven Corporate Performance

SAE Top 10

Top 10 Acquisition Opportunities to Enhance Profitability in a Flat-lined or Declining Budget

5. **Reduce Cycle Times and Scope to Allow Contractors to Underrun Incentive Contracts with Greater Profitability**
4. **Provide Enhanced Cash Flows for Proven Superior Performance**
3. **Reduce Bureaucratic Elements of Acquisition Process**
2. **Provide Award Fees on Top of Incentive Fee Contracts (i.e. IFPIF/AF) for Speed to Warfighter or Other Attributes**
1. **Buy more Production Product at More Efficient Rates and Reduce Spend on "Other Stuff"**

U.S. AIR FORCE

Principles for Effective Stewardship

- **The significant challenges facing the Air Force in a "down" cycle for defense are:**
  - **Resources will decline and the downturn will likely last beyond the FYDP – make tough choices now rather than later**
  - **Efficiencies will be a partial solution and must become the standard – stay focused on tail to tooth**
- **The notion that we can maintain the status quo cannot be the Air Force's path forward**
  - **Don't take on resource commitments that are unaffordable in the long run**
  - **Prioritize investments to drive down long-term operating costs**
  - **Emphasize flexibility in the face of funding instability**

Properly Managing Resources in a Time of Fiscal Austerity

SECRETARY OF THE AIR FORCE
SAF/AQ
ACQUISITION